

AN INFLUENCE OF RETAIL SERVICE QUALITY ON SATISFACTION AND CUSTOMER PATRONAGE INTENTION AMONG YOUNG APPAREL SHOPPERS OF TIRUCHIRAPALLI CITY

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ABSTRACT

Tier II cities in India are growing faster due to the increase in buying power and change in consumption basket. After the announcement of smart cities development, Tier II cities are anticipated to nurture than expected. Retaining customers is becoming very crucial for the marketers in the complex business scenario especially in the apparel segment. Higher young population and increased disposable income has made Indian shoppers to make impulse purchase frequently in especially in branded clothing stores. The study will be useful to understand the patronage intention of apparel shoppers in Tiruchirapallicity, Tamilnadu.

METHODOLOGY

240 Sample was collected from Undergraduates and postgraduates students from Tiruchirapalli, Tamilnadu which is said to be located centrally in the state. The Data analysis was carried out and interpreted using SPSS AMOS 20.0 and SPSS software.

RESEARCH PROBLEM

Online retail giants are expected to be a potential threat to the apparel retail chains. To face the competitions, major offline retail stores are now entering online nowadays. To help the offline apparel marketers for sustaining the potential apparel customers, the researcher initiated this research work to determine the customer patronage intention by examining the retail service construct proposed by Dabholkar et al. (1996) with slight addition of few variables.

RESEARCH GAP

Previous studies revealed about the RSQL constructs only (Physical aspects, Reliability, Employee Interaction, Problem solving, Store policy). In this research work the researcher included additional constructs like Store identity, Customer Satisfaction and Customer patronage as a outcome variable to find out the predictors of it.

FINDINGS OF THE STUDY

The researcher has constructed a model using structural equation modeling between Retail service quality constructs and apparel Customer patronage and satisfaction. Employee interaction, Store identity and Store policy are found to be significant predictor of customer satisfaction. However there exists a direct relationship between all the retail service quality variable and customer satisfaction.

IMPLICATIONS

Employee interaction, Store identity and store policy is a most significant predictor which has a direct impact on Customer satisfaction. Human resource policies and employee training becomes most important in the future to derive customer satisfaction and loyalty.

KEYWORDS: RSQL, Customer Patronage, Satisfaction & Indian Apparel Industry

INTRODUCTION AND LITERATURE REVIEW

Indian economy, one of the quickest developing economies of the world, is seeing significant moves in shopper inclinations. Expanding Consumption basket, brand consciousness and educated millennial populace are the driving components of the retail industry nation. Generally speaking, the Indian retail situation has indicated feasible long haul development contrasted with other countries. The Indian retail market was expected to grow to the tune of INR 1, 02, 50,500crore (US \$1,576 billion) by 2026, mounting at a CAGR of 10 per cent. An Indian garb industry, which is the second largest revenue provider in the retail industry after grocery and food market. Among all the retail sectors, apparel sector founds to be more amenable among the Indian consumers. It is essential to study the consumer behavior of apparel shoppers to provide new insights to the retail apparel stores. Tier II cities are reporting a positive growth and fashion needs of the customers are shifting day-to-day and it the responsibilities of the researchers to provide valuable insights to the apparel stores. A study indicated that a sales employee comprehension inclined consumer perceptions of merchandise quality (Jillian C. Sweeney1997). For measuring Retail service quality Dabholkar et al developed a scale especially for retail sector. Physical aspects and exterior of the store and Store policy have the supreme impact on the on the whole service quality (Noel Y. M siu 2001).

Customer Patronage and Retail Service Quality

The first and foremost point to increase the revenue of the store is to satisfy the customers through the store's physical aspects, interaction of employee (by providing good suggestion to customers and to interact deeply with them to understand their needs), devising a good store policy, creating a positive store identity. All this components will develop a customer patronage intention.

LITERATURE REVIEW

Albert Caruana(2002) conducted a study and found customer satisfaction is playing mediating role in the cause of service quality on loyalty. Jin *Su(2016)*The study divulge that Unites States college students, brand awareness, perceived value, organizational associations, and brand exceptionality are the causativefactors to deriving customer loyalty.*Martha*Physical Aspects was the major predictor of Customer Satisfaction. The statistical analysis proved that Physical Aspects, Reliability, Personal Interaction, Problem Solving, Policy have an effect on Customer Satisfaction and in turn deriving Loyalty. **Kesari, B., & Atulkar, S. (2016)** The outcome of the study shows that association between shopping values and customer satisfaction. **AbYajid, et al., (2018)** The result expose that there is a considerable relationship between service quality and customer satisfaction. *Eugene Sivadas (2000)*. The results point out that service quality persuade relative attitude and satisfaction with department stores. Satisfaction influences relative attitude, repurchase, and suggestion but has no straight outcome on store loyalty. **Bruce K. Pilling (2013)**. The study concluded that empathy of Customer service associate and professional behavior of CSA is the important criteria for retail buyers.

METHODOLOGY

240 Sample was collected from Undergraduates and postgraduates students from Tiruchirapalli, Tamilnadu which is said to be located centrally in the state. Closed ended questionnaire was utilized with five point likertscale. The Data analysis was carried out and interpreted using SPSS AMOS 20.0 and SPSS software. Hypothesis was framed to prove the relationship between RSQL dimensions and customer satisfaction. Pearson Correlation, Multiple regression, Descriptive

RESEARCH OBJECTIVES

- To find out the determinants of apparel customer satisfaction among the dimensions of RSQ dimensions.
- To derive a conceptual model for loyalty intention using Retail service quality constructs.
- To determine the existing inter-correlation among the dimensions of Retail service quality.

PROPOSED RESEARCH HYPOTHESIS

Hypothesis 1 There is a direct relationship between Physical aspects and Customer satisfaction.

Hypothesis 2 There is a direct relationship between Reliability and Customer satisfaction.

Hypothesis 3 There is a direct relationship between Employee Interaction and Customer satisfaction.

Hypothesis 4 There is a direct relationship between Problem Solving and Customer satisfaction.

Hypothesis 5 There is a direct relationship between Store Identity and Customer satisfaction.

Hypothesis 6 There is a direct relationship between Store Policy and Customer satisfaction.

Hypothesis 7 There is a direct relationship between Customer Patronage Intention and Customer satisfaction.

Table 1: Cronbach Alpha Reliability Statistics

Dimension	No of Items	Cronbach Alpha Coefficient
Physical Aspects	5	0.719
Reliability	4	0.677
Employee Interaction	3	0.579
Problem Solving	3	0.666
Store Identity	4	0.602
Store Policy	2	0.514
Customer Patronage	5	0.629
Customer Satisfaction	5	0.733

(Refer table 1)

Scale reliability was computed for each dimension. The Cronbach alpha coefficient obtained for each dimension is acceptable and ensures satisfactory internal consistency. Normally the Cronbach alpha coefficient value of 0.5 and above is said to be consistent and the data is having good internal consistency.

Table 2: Pearson Correlation

	Physical aspects	Reliability	Employee Interaction	Problem Solving	Store Identity	Store Policy	Customer Patronage Intention	Customer Satisfaction
Physical aspects	1							
Reliability	.625**	1						
Employee Interaction	.396**	.568**	1					
Problem Solving	.409**	.575**	.529**	1				
Store Identity	.441**	.463**	.449**	.443**	1			
Store Policy	.361**	.403**	.490**	.583**	.457**	1		

Customer Patronage Intention	0.109	.185**	.278**	.293**	.404**	.317**	1	
Customer Satisfaction	.455** (H1)	.533** (H2)	.589** (H3)	.529** (H4)	.617** (H5)	.591** (H6)	.387** (H7)	1

**. Correlation is significant at the 0.01 level (2-tailed).

(Refer table 2)

The relationship between Customer patronage and Physical aspects is strong, since the r value is 0.455 which is significant at 0.01 level where p value is less than 0.000. The obtained r value is 0.533 for reliability and customer satisfaction, where the p value is 0.000 which is significant at 0.01 level. Between employee interaction and customer satisfaction the obtained r value is 0.589, which is significant. Problem solving and customer satisfaction is having a r value of 0.529, where p value is 0.000. Store identity and customer satisfaction is having a strong correlation where the r value is 0.617 which is significant. The r value is 0.591 between store policy and customer satisfaction. Customer patronage intention and customer satisfaction is having a positive correlation where the r value is 0.387, which is significant at 0.01 level. All the proposed seven hypothesis supported the study.

**PA-PHYSICAL ASPECTS SA-CUSTOMER SATISFACTION RL-RELIABILITY
CPI-CUSTOMER PATRONAGE INTENTION EMP-EMPLOYEE INTERACTION
PS-PROBLEM SOLVING SP-STORE POLICY SI-STORE IDENTITY**

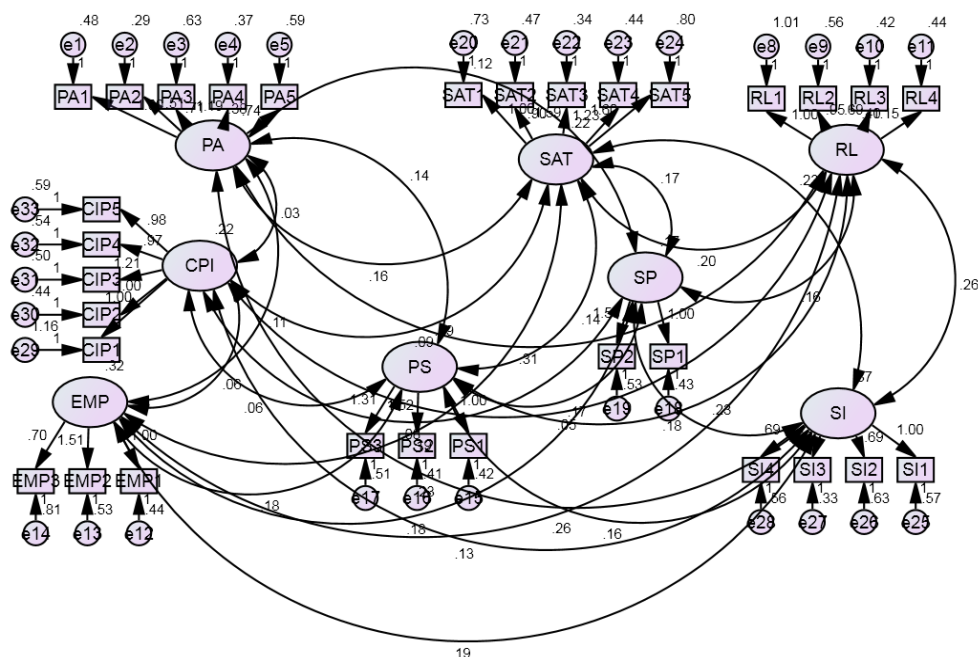


Figure 1: Structural Equation Modeling

Table 3: CFA Fit Summary

Goodness of Fit (GFI)	0.824
Adjusted Goodness of Fit (AGFI)	0.841
Root Mean Square Error of Approximation (RMSEA)	0.028
Average Variance Extracted-Ave (The Average of R Square within the Factor)	0.982

Table 4: Regression Weights

			Estimate	S. E.	C. R.	P
PA1	<---	PA	1.000			
PA2	<---	PA	.508	.072	7.094	***
PA3	<---	PA	.713	.104	6.843	***
PA4	<---	PA	1.186	.120	9.887	***
PA5	<---	PA	.740	.103	7.173	***
RL1	<---	RL	1.000			
RL2	<---	RL	.946	.126	7.522	***
RL3	<---	RL	.685	.098	6.979	***
RL4	<---	RL	1.153	.140	8.261	***
EMP1	<---	EMP	1.000			
EMP2	<---	EMP	1.514	.165	9.182	***
EMP3	<---	EMP	.703	.123	5.716	***
PS1	<---	PS	1.000			
PS2	<---	PS	1.519	.183	8.275	***
PS3	<---	PS	1.308	.172	7.615	***
SP1	<---	SP	1.000			
SP2	<---	SP	1.576	.203	7.768	***
SAT1	<---	SAT	1.000			
SAT2	<---	SAT	.900	.143	6.278	***
SAT3	<---	SAT	1.588	.208	7.640	***
SAT4	<---	SAT	1.225	.173	7.065	***
SAT5	<---	SAT	1.601	.228	7.019	***
SI1	<---	SI	1.000			
SI2	<---	SI	.695	.106	6.545	***
SI3	<---	SI	1.086	.116	9.326	***
SI4	<---	SI	.690	.102	6.760	***
CIP2	<---	CIP	1.003	.202	4.959	***
CIP3	<---	CIP	1.210	.238	5.076	***
CIP4	<---	CIP	.970	.202	4.792	***
CIP5	<---	CIP	.981	.207	4.745	***
CIP1	<---	CIP	1.000			

(Refer table 4)

The Regression weight score table was generated from text output option of AMOS 20.0. The CR Value obtained for all the constructs is above 1.96 for the regression weight and proved that the proposed path is significant at the 0.05 level.

MULTIPLE REGRESSION

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764^a	.583	.572	.43959
a. Predictors: (Constant), Customer Patronage Intention, Physical aspects, Store Policy, Employee Interaction, Store Identity, Problem Solving, Reliability				

(Refer table 5)

The R Square value is the indicator for the regression model. The R Square value of 0.583 shows the model is deemed to fit, as 58 % of the variance can be explained from the proposed model. Customer Satisfaction is the dependent(outcome) variable and variable of retail service quality and customer patronage intention are the predictors.

Table 6: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.169	.234		-.719	.473
	Physical aspects	.082	.059	.073	1.389	.166
	Reliability	.099	.057	.104	1.733	.084
	Employee Interaction	.194	.048	.213	4.059	.000
	Problem Solving	.034	.055	.035	.622	.535
	Store Identity	.290	.054	.275	5.376	.000
	Store Policy	.222	.048	.240	4.608	.000
	Customer Patronage Intention	.117	.050	.104	2.341	.020

a. Dependent Variable: Customer Satisfaction

(Refer table 6)

Customer Satisfaction = $0.169 + (0.082 \times \text{Physical aspects}) + (0.099 \times \text{Reliability}) + (0.194 \times \text{Employee interaction}) + (0.034 \times \text{Problem Solving}) + (0.290 \times \text{Store identity}) + (0.222 \times \text{store policy}) + (0.117 \times \text{Customer patronage intention})$. The b coefficient in the table is said to be statistically significant is the corresponding p value is < than 0.05. Employee Interaction (b=0.194, P=0.000) is the significant predictor of customer satisfaction. Store identity (b=0.290, p=0.000) is the significant predictor of customer satisfaction. Store Policy (b=0.222, p=0.000) is the significant predictor of customer satisfaction. Customer patronage intention (b=0.117, p=0.02) is the significant predictor of customer satisfaction. Customer patronage intention.

Table 7: Mean Score of Scale Construct

Constructs	Mean	Std. Deviation
Physical aspects	3.941304	0.59516
Reliability	3.761775	0.70524
Employee Interaction	3.640097	0.73971
Problem Solving	3.693237	0.67756
Store Identity	3.709239	0.63598
Store Policy	3.655797	0.72564
Customer Patronage Intention	3.688406	0.59843
Customer Satisfaction	3.677536	0.67231

(Refer table 7) A High mean value is observed for Physical aspects (3.94) followed by reliability (3.76). A moderate or equal value is observed for other variables.

DISCUSSIONS AND CONCLUSIONS

The Researcher has proposes seven hypothesis to find out the relationship between variables of retail service quality, Customer satisfaction and customer patronage intention. All the seven hypothesis supported the research objectives and it is empirically proved that Physical aspects, Reliability, Employee interaction, Problem solving, Store policy, Store identity, Customer patronage intention is having relationship with Customer satisfaction. However while looking into the results of multiple regression, Employee Interaction, Store Identity and Store policy is found to be the significant predictor of customer satisfaction. Though the researcher have found significant predictor of customer satisfaction, the constructs like Physical aspects, Reliability and problem solving does not have significance on predicting the satisfaction of the customer. This next important finding is “Employee interaction”. The employee interaction is having direct relationship with satisfaction of the apparel shoppers. When we think about the importance of these aspects, Employee interactions have significantly improved the satisfaction of the customers. Dissatisfaction arises due to poor employee interaction and

unsystematic problem solving mechanisms. Any store should concentrate in the employee training to engender loyal customers towards the store. While analyzing the path coefficients of Structural equation modelling, all the constructs of retail service quality is interrelated with each other. From this study, the researcher strongly recommends that, employee training and problem solving mechanism need to be revamped and given more concentration. Even though Tiruchirapalli is a Tier II city, it is perceived to be best town for purchasing all the apparel needs of the customers. Since Trichy is under the smart city plan, more customers may be attracted from nearby towns as the city will become smart shortly. The apparel stores need to be appreciated at this juncture, as employee interaction is found to be the predictor of customer satisfaction. Employee retention also plays a decisive role in serving the customers best. Human resources are interdependent on marketing, practices and it is proved here. Since Retail stores are highly interaction oriented, employee interaction and suggestions are most important to make the customers for visiting the store again and again. To put it in nutshell, loyalty is neither simple and nor complicated. Customer feedback mechanisms, transparent store policies, reliable and practical promotional strategies will surely boost the customer satisfaction. Retail apparel stores needs to consistently concentrate to deliver standard services to the customers and in turn can derive patronage intention of the customers.

SCOPE FOR FUTURE RESEARCH

Further research may be executed on productivity/profitability of the store with customer satisfaction and customer patronage intention. Advertisements and CRM practices may be linked with the revenue of the stores. Additional variables like green marketing, Corporate social responsibility of the stores may be linked with customer patronage intention.

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